

2007-2008 PERFORMANCE PLAN – Portfolio Manager, Real Estate (J. Delfendahl)

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Weight	Factor	Performance Measure	Incentive Schedule
5%	Core Industrial Sector Performance	Excess returns in basis points of the Total Core Industrial Portfolio return before fees versus the Disaggregated NCREIF Industrial Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter)	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5
5%	Core Office Sector Performance	Excess returns in basis points of the Total Core Office Portfolio return before fees versus the Disaggregated NCREIF Office Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5
5%	Core Retail Sector Performance	Excess returns in basis points of the Total Core Retail Portfolio return before fees versus the Disaggregated NCREIF Core Retail Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5
5%	Core Multi-Family Sector Performance	Excess returns in basis points of the Total Core Multi-Family Portfolio return before fees versus the Disaggregated NCREIF Core Multi-Family Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5
20%	Total Core Portfolio Performance	Excess returns in basis points of the Total Core Portfolio return before fees versus the Disaggregated NCREIF Total Performance, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5
45%	Non-Core Portfolio Performance	Total Non Core portfolio return before fees exceeds NCREIF Total Performance for the fiscal year ending June 30, 2008 (returns lag one quarter, 30% weight). Total Housing portfolio performance before fees exceeds NCREIF Total Performance for the fiscal year ending June 30, 2007 (returns lag one quarter, 15%).	0 basis points = 0 + 100 basis points = 1.0 +150 basis points = 1.5 0 basis points = 0 +200 basis points = 1.0 + 300 basis points = 1.5
85%	Subtotal	Qualitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> • Within Investment Group (e.g., teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition) • Trustees (e.g., written and oral presentations to Investment Committee and Investment Policy Subcommittee) • CalPERS (e.g., involvement in enterprise-wide initiatives and programs) • External Investment Community (e.g., relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees) 	From Schedule
15%	Subtotal	Quantitative Measures	
100%	Total	Quantitative and Qualitative Measures	